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DEFENDANT SENTENCED TO TEN AND HALF YEARS FOR HIS PART IN DEFRAUDING THE CALIFORNIA EMPLOYMENT DEVELOPMENT DEPARTMENT OF UNEMPLOYMENT INSURANCE BENEFITS

FRESNO--United States Attorney McGregor W. Scott announced today that MARTIN ESPANA VILLASENOR, 43, was sentenced yesterday by United States District Judge Oliver Wanger to 126 months for defrauding the State of California, Employment Development Department ("EDD"), of millions of dollars in unemployment insurance benefits. The defendant pled guilty to mail fraud and conspiracy to money laundering.

This case is the product of an extensive investigation by the United States Department of Labor, Office of Inspector General, Labor Racketeering and Fraud Investigations, the State of California, Employment Development Department, and the United States Postal Inspection Service.

According to Assistant United States Attorneys Stanley A. Boone and Sheila K. Oberto, who prosecuted the case, the scheme to defraud EDD covered the period from 1998 to on or about April 24, 2003 and involved the use of thousands of fraudulently acquired identities from individuals who had no idea that their identities were being used to file fraudulent unemployment insurance claims with the EDD. As part of the scheme, the defendant and his associates acquired post office boxes throughout the State of California from as far away as Grass Valley, California to Calexico, California. Using stolen employee information such as name and social

security numbers, the defendant and his associates filed fraudulent unemployment insurance claims with EDD. The false claims then resulted in the issuance of EDD checks which were then sent to these post office boxes controlled by the defendant and his associates.

Judge Wanger, in sentencing the defendant, imposed restitution in the amount of \$18,705,196 to EDD, \$700 in special assessments and 36 months of supervised release. As part of the plea and sentence, the defendant was also ordered to forfeit two parcels of real property located in the Fresno area.

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